Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Text

UNCLASSIFIED

PAGE 01 LUBUMB 00393 071504Z

44
ACTION COME-00

INFO OCT-01 AF-10 EUR-25 ISO-00 INT-08 AID-20 CIAE-00

EB-11 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07

OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 DRC-01

/121 W
---------- 056024
R 070930Z NOV 73
FM AMCONSUL LUBUMBASHI
TO SECSTATE WASHDC 1396
INFO AMEMBASSY BRUSSELS
AMEMBASSY KINSHASA
ENYMBASSY LUSAKA BY POUCH
AMCONSUL BUKAVU BY POUCH
AMCONSUL KISANGANI BY POUCH

UNCLAS LUBUMBASHI 393

E.O. 11652: NA
SUBJ: GECAMINES EXPANSION AND PURCHASING PLANS

REF: LSHI A-36, KINSHASA A-187, LSHI 374.

SUMMARY: NEW GECAMINES FIVE YEAR EXPANISON PLAN ,
AWAITING MOMENTARY GOZ APPROVAL, WILL EMPHASIZE IN-COUNTRY
REFINING AS WELL AS EXPANDED PRODUCTIONS. PLAN WILL COST
ABOUT $60 MILLION, OF WHICH EXIMBANK
WOULD HOPEFULLY PROVIDE 20 OR MORE MILLION DOLLARS CREDIT,
AND PROVIDES SUBSTANTIAL OPPORTUNITIES FOR VIGOROUS AMERICAN SALES
EFFORTS. END SUMMARY.

1. FORMAL GOZ APPROVAL OF GECAMINES NEW FIVE YEAR EXPANSION PLAN
IS EXPECTED WITHIN WEEK. PLAN CALLS FOR SPENDING $160 MILLION TO
INCREASE COMPANYS MINING AND REFINING CAPACITY AND TO IMPROVE
INDUSTRIAL AND SOCIAL INFRASTRUCTURE.

2. GREAT EMPHASIS IS PLACED ON INCREASING IN-COUNTRY
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LUBUMB 00393 071504Z

REFINING CAPACITY. GECAMINES NOW REFINES ONLY HALF OF ITS COPPER

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

OUTPUT TO COMMERCIAL STANDARDS BUT INTENDS INCREASE TO
SEVENTY FIVE PERCENT BY 1980, I.E., TO REFINE ALL AUGMENTIVE
COPPER PRODUCTION PLUS ADDITIONAL 90,000 TONS OF CURRENT CAPACITY.

3. TO ACCOMPLISH THIS MAJOR INCREASE IN REFINING CAPACITY
GECAMINES INTENDS TO SOON REQUEST TENDERS, TO BE SUBMITTED
BETWEEN APRIL AND JUNE 74, FOR TURNKEY PROJECTS TO CONSTRUCT:
A. CONCENTRATOR PLANT WITH ANNUAL CAPACITY OF 4 MILLION METRIC
TONS.
B. OXYGENATION PLANT.
C. SULFURIC ACID PLANT
D. FLASH SMELTING PLANT WITH ANNUAL CAPACITY OF 100,000 METRIC TONS
E. COBALT PLANT WITH ANNUAL CAPACITY OF 4,000 METRIC TONS.

4. COMMENT: GECAMINES OFFICIALS ARE FRANK TO SAY THEY
BELIEVE THAT, ALTHOUGH AMERICAN FIRMS ARE FREE TO COMPETE
FOR ALL THESE METALLURGICAL PROJECTS, ON THE CONCENTRATOR
BIDS FAIR TO BE PURCHASE FROM US. GECAMINESSEEMS ALREADY
DECIDED ON FLASH SMELTER FROM FINLAND AND MUCH OF OTHER EQUIPMENT
APPEARS LIKELY TO BE SUPPLIED
BY EUROPEAN SOURCES UNLESS US MAKES GOOD SHOWING.

5. ON PRODUCTION SIDE GECAMINES PLANS TO OPEN TWO NEW
OPEN PIT MINES AT DIKOLOBWE AND MASHAMBA SOUTHWEST OF
KOLWEZI. RELEVANT EQUIPMENT TO BE PURCHASED IN US
INCLUDE TWO LARGE SHOVELS, 15 DUMPERS, 5 BULLDOZERS,
AND 5 GRADERS.

6. ON FINANCING, GECAMINES NOW ESTIMATE IT WILL NEED
TO REQUEST EXIMBANK LOANS TOTALLING MORE THAN 21 MILLION
DOLLARS, OF WHICH 13 MILLION FOR NEW MINING EQUIPMENT, 8 MILLION
FOR CONCENTRATOR, PLUS UNDETERMINED AMOUNT FOR REPLACEMENT
MINING EQUIPMENT. THESE FIGURES COULD JUMP, OF COURSE, IF US FIRMS
GOT MAJOR PARTS OF THE OTHER ACTION. GECAMINES AUTHORITIES PLAN
TO APPLY FOR EXIM LOAN IN THREE PHASES JUST AS THEY APPLIED FOR
EARLIER LOAN, THE FIRST BEING SHARPLY DEFINED, THE SECOND LESS SO,
AND THIRD BEING INDEFINITE TO BE USED ONLY IF NECESSARY. GECAMINES
APPEARS CONFIDENT OF RESPONSIVE ATTITUDE FROM FINANCIERS
DUE TO ITS EXCELLENT DEBT STRUCTURE.

UNCLASSIFIED

UNCLASSIFIED

7. DURING COURSE OF THIS EXPANSION, GECAMINES LABOR FORCE
WILL EXPAND BY 2250 FOR WHOM HOUSING MUST BE CONSTRUCTED, IN
ADDITION, GECAMINES IS BEHIND HOUSING SCHEDULE FOR 2000 OF ITS
PRESENT WORKERS. IT HOPES TO GET 30-40 MILLION DOLLARS VIA WORLD
BANK LOAN FOR THIS PURPOSE.

3. US IS NATURUAL MARKET FOR PURCHASING BIG OPEN
PIT EQUIPMENT AND GECAMINES DECISION TO BUY AMERICAN WAS

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

PREDICTABLE. CONSULATE, HOWEVER, FINDS IT HARD TO ACCEPT
THAT EUROPEAN FIRMS ARE NECESSARILY MORE ADVANCED AND MORE
EFFECTIVE THAN AMERICAN FIRMS IN LARGE SCALE METALLURGICAL
PROCESSING. SIMILARLY, WE SUSPECT THAT US VOLUME HOUSING
TECHNIQUES COULD PROFITABLY PROVIDE AN ECONOMIC ANSWER TO ONE
OF SHABA'S MOST PRESSING PROBLEMS: URBAN HOUSING. IN SUM,
VERY SUBSTANTIAL SALES OPPORTUNITIES LIE JUST AHEAD. WE HOPE
SOON TO SEE AMERICAN BUSINESS PURSUING THEM ON THE SPOT.
JUNIOR

UNCLASSIFIED

NNN

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 07 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973LUBUMB00393
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: LUBUMBASHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731150/aaaabkjw.tel
Line Count: 124
Locator: TEXT ON-LINE
Office: ACTION COME
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: LSHI A-36, KINSHASA A-187, LSHI 374.
Review Action: RELEASED, APPROVED
Review Authority: collinp0
Review Comment: n/a
Review Content Flags:
Review Date: 25 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25-Jan-2002 by chappeld>; APPROVED <12 MAR 2002 by collinp0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GECAMINES EXPANSION AND PURCHASING PLANS
TAGS: BEXP, CG, GECAMINES
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005